

MASSACHUSETTS EMERGENCY MANAGEMENT AGENCY

MAJOR WINTER STORM, FEBRUARY 8-9, 2012: OVERVIEW OF PROCESS TO DETERMINE ELIGIBILITY FOR FEDERAL DISASTER ASSISTANCE

February 13, 2013

Now that the state and most cities and towns have wrapped up the emergency response to the winter storm that impacted the state on February 8-9, 2013, the Massachusetts Emergency Management Agency (MEMA) will turn its attention to longer-term recovery issues, including evaluating whether the state and any of its cities and towns are eligible for federal financial assistance under a presidential disaster declaration.

Over the next several weeks, MEMA will work with state and municipal emergency management partners to determine eligibility for federal assistance under the following four disaster assistance programs:

- **Public Assistance (PA)** as part of a Major Disaster Declaration resulting from a Severe Winter Storm;
- **Snow Assistance** as part of a Major Disaster Declaration resulting from a Snowstorm;
- **Individual Assistance (IA)** as part of a Major Disaster Declaration resulting from a Severe Winter Storm; and
- **Low interest loans** to individuals, families and businesses as part of a Small Business Administration (SBA) Disaster Declaration.

This information is intended to provide a general overview of the damage assessment process, and the types of federal disaster assistance that may be made available if the required thresholds and criteria are met. This memorandum is not intended to be an exhaustive list of all of the requirements associated with administration of these federal programs, but rather an introduction to the process. Should federal disaster assistance be provided, MEMA will coordinate more detailed applicant briefings for local officials and state agencies to explain program requirements, provide additional guidance, and detail the reimbursement process.

Initial Damage Assessments

The first step in determining the state's potential eligibility for federal disaster assistance under any of these programs is to initiate the Initial Damage Assessments (IDA) process. Early next week, MEMA will send IDA forms to all municipal emergency management directors, and state agencies, with a request that the forms be completed and returned to MEMA over the following ten days. The forms ask for initial estimates of storm related costs and damages in the following categories:

- Snow and ice removal, including overtime, contracted costs and equipment costs associated with sanding and plowing;
- Debris clearance and removal, including overtime and equipment costs associated with clearing downed trees, limbs and poles from roadways, sidewalks and public infrastructure;
- Emergency response and protective measures, including first responder overtime and equipment costs, fuel costs, shelter costs, etc.
- Repair and replacement costs associated with storm damage to roads, sidewalks, bridges, seawalls, piers, culverts, towers, government owned buildings, and other public infrastructure;

The IDA form also will ask local Emergency Management Directors to identify privately owned homes and businesses that were damaged or destroyed during the storm, and to estimate the extent of the damage (affected, minor, major, destroyed), and, if known, whether the repair or replacement costs will be covered by insurance.

Emergency management directors and state agencies are familiar with the IDA process - it has been utilized in each of the natural disasters that have hit the state over the past few years. Nonetheless, next week MEMA will host a technical assistance conference call for emergency management directors and other municipal officials, and state agencies, to provide guidance and answer questions on the IDA process.

The IDA process is not onerous. MEMA understands and expects that rough estimates will be provided and that it is too soon to ask for solid cost figures. MEMA, in collaboration with FEMA, uses the results of the IDA's to evaluate the likelihood of the state being eligible for disaster assistance under some or all of the four disaster assistance programs mentioned earlier.

Preliminary Damage Assessments

Once the results of the IDAs have been analyzed, MEMA, in conjunction with FEMA, will conduct Preliminary Damage Assessments (PDAs) to further determine if there is any likelihood that the state will be eligible for federal disaster assistance under some or all of the four assistance programs mentioned earlier. The PDA process builds on the IDA's and gathers more detailed cost and damage information.

The PDA process entails sending damage assessment teams, comprised of state and federal technical experts, to those communities and state agencies that have reported significant storm related costs and damages on the IDA forms. During these field visits, the PDA teams will view damage and debris, as well as examine local and state financial records, for the purpose of better quantifying the impacts of the storm and gathering the cost and damage information. This information will be used to determine the state's eligibility for disaster assistance and, if appropriate, will be included in the Governor's request for disaster assistance.

MEMA expects to complete all IDAs and PDAs over the next several weeks.

Disaster Assistance Thresholds

Each of the four disaster assistance programs mentioned earlier have cost or damage thresholds that must be met as part of the state's application for federal disaster assistance. Those thresholds, and the assistance that is available under each program, are summarized below.

Public Assistance (PA) under a Major Disaster Declaration Resulting from a Severe Winter Storm.

- Under the PA program, FEMA will reimburse cities and towns, state agencies, and certain non-profits for up to 75% of their eligible storm related costs, including emergency protective measures, debris removal, and damage to roads, sidewalks, bridges, seawalls, piers, culverts, towers, government owned buildings, and other public infrastructure. FEMA's PA program will only consider damage and repair costs directly attributable to this storm event, and is not intended to address pre-disaster damage or deferred maintenance issues. *However, the PA program does NOT reimburse any portion of the cost of snow and ice removal; any such reimbursement only is available under the Snow Assistance program described below.*
- PA assistance is provided on a county by county basis. If a county receives a PA disaster declaration, then reimbursement is provided to all cities and towns in the county, and to state agencies for their

storm related costs that were incurred within the county. To receive PA assistance, total eligible storm related costs within the county must exceed a population based threshold that is established by FEMA. The applicable county thresholds are listed in the table below.

COUNTY	THRESHOLD
Barnstable	\$744,813.60
Berkshire	\$452,705.55
Bristol	\$1,891,583.25
Dukes	\$57,045.75
Essex	\$2,563,898.55
Franklin	\$246,233.40
Hampden	\$1,599,040.50
Hampshire	\$545,376.00
Middlesex	\$5,185,643.25
Nantucket	\$35,093.40
Norfolk	\$2,314,432.50
Plymouth	\$1,707,470.55
Suffolk	\$2,490,979.35
Worcester	\$2,755,004.40

- Once counties are identified as having met or exceeded individual county PA cost thresholds, the aggregate costs of these counties are calculated to determine if the statewide cost threshold has been met. These counties can be deemed eligible under the PA program only if the statewide threshold, currently \$8,970,251, is met or exceeded.

Snow Assistance as part of a Major Disaster Declaration Resulting from a Snowstorm.

- FEMA's snow assistance under the PA program reimburses municipalities and the state for 75% of its snow and ice removal costs and associated emergency protective measures, but only if three conditions are satisfied. First, Snow Assistance only is provided to cities and towns in counties that received a record or near record snowfall (within 10% of the record). Second, Snow Assistance only is provided to cities and towns in counties that had snow and ice removal costs that exceed FEMA's county PA thresholds. Third, Snow Assistance is provided only if the state cost threshold is met.

- Over the next few days, the National Weather Service will finalize the official snowfall totals for the February 8-9 snowstorm. MEMA will then compare the snowfall totals for each county to the all-time record snowfalls for each county. Snow assistance from FEMA is available to cities and towns in a particular county, and for state costs incurred in that county, if:
 - The county received a record snowfall during the February 8-9 storm; or
 - The total snowfall in the county is within 10% of the all-time record for the county; or
 - The total snowfall in the county, although neither record setting nor within 10% of the record, exceeds the snowfall in a contiguous county if the contiguous county received a record or near-record snowfall.
- Cost Thresholds. Snow Assistance is provided on a county by county basis. To receive Snow Assistance, total eligible snow and ice removal costs within the county must exceed the Public Assistance population based threshold that is established by FEMA. The applicable county thresholds are listed in the table earlier in this memorandum. Additionally, once counties are identified as having met or exceeded individual county cost thresholds, the aggregate costs of these counties are calculated to determine if the statewide cost threshold has been met. These counties can be deemed eligible under the Snow Assistance program only if the statewide threshold, currently \$8,970,251, is met or exceeded.

Individual Assistance (IA) under a Major Disaster Declaration Resulting from a Severe Winter Storm

- The IA program provides disaster assistance to individuals, families and businesses that incurred storm related costs resulting from damage to their homes and businesses. Assistance available under the IA program may include:
 - Rental payments for temporary housing for those whose homes are uninhabitable. Initial assistance may be provided for up to three months for homeowners and at least one month for renters. Assistance may be extended if requested after the initial period based on a review of individual applicant requirements. *(Source: FEMA funded and administered.)*
 - Grants for home repairs and replacement of essential household items not covered by insurance to make damaged dwellings safe, sanitary and functional. *(Source: FEMA funded and administered.)*
 - Grants to replace personal property and help meet medical, dental, funeral, transportation and other serious disaster-related needs not covered by insurance or other federal, state and charitable aid programs. *(Source: FEMA funded at 75 percent of total eligible costs; 25 percent funded by the state.)*
 - Unemployment payments up to 26 weeks for workers who temporarily lost jobs because of the disaster and who do not qualify for state benefits, such as self-employed individuals. *(Source: FEMA funded; state administered.)*
 - Low-interest loans to cover residential losses not fully compensated by insurance. Loans available up to \$200,000 for primary residence; \$40,000 for personal property, including renter losses. Loans available up to \$2 million for business property losses not fully compensated by insurance. *(Source: U.S. Small Business Administration.)*
 - Loans up to \$2 million for small businesses, small agricultural cooperatives and most private, non-profit organizations of all sizes that have suffered disaster-related cash flow problems and need funds for working capital to recover from the disaster's adverse economic impact.

This loan in combination with a property loss loan cannot exceed a total of \$2 million.
(Source: U.S. Small Business Administration.)

- Loans up to \$500,000 for farmers, ranchers and aquaculture operators to cover production and property losses, excluding primary residence. (Source: Farm Service Agency, U.S. Dept. of Agriculture.)
- Other relief programs: Crisis counseling for those traumatized by the disaster; income tax assistance for filing casualty losses; advisory assistance for legal, veterans' benefits and social security matters.
- Unlike the PA program which has fairly clear and objective thresholds, the IA program has subjective eligibility thresholds. Generally, to qualify for IA disaster assistance, the state must show that hundreds of homes (primary residences) and businesses suffered significant damage or were destroyed and that insurance either is not available to the survivors or is inadequate. The IDA and subsequent PDA processes are intended to identify and quantify homes and businesses with significant damage. *However, seasonal homes are not eligible and are not counted during the IDA and PDA processes.*

SBA Disaster Program

- Even if the President does not issue a disaster declaration that provides Public Assistance, Individual Assistance, or Snow Assistance, the Small Business Administration (SBA) may issue an SBA Disaster Declaration if there are 25 or more homes and businesses in a county that each have suffered uninsured losses greater than 40% of total replacement cost. Under an SBA Disaster Declaration, low interest loans may be available to any individual, family or business that suffered storm related damages and meets loan eligibility requirements. SBA may also provide disaster loan assistance to communities in contiguous counties.
- The SBA also has an Economic Injury disaster program. Under this program, low interest loans are available to eligible businesses if there are at least five businesses whose business income will decrease by at least 40% as a result of a disaster.

Summary

Next week, MEMA will initiate a two-part process to determine whether the state and any of its counties are eligible for some or all of the four disaster programs summarized above. The first part of the process entails municipal and state officials submitting Initial Damage Assessment (IDA) forms to MEMA. Those forms will be emailed to municipal emergency management directors and state agencies early next week.

Once the IDA forms are returned to MEMA and the results analyzed, MEMA and FEMA will conduct site/field visits as part of a Preliminary Damage Assessment (PDA) if the IDA results suggest that there is a likelihood of the state meeting the relevant thresholds under the different disaster assistance programs.

This two-part assessment process likely will take several weeks.